



IGDINST 4100.33
July 2003

**GOVERNMENTWIDE
COMMERCIAL PURCHASE
CARD PROGRAM**

**INSPECTOR GENERAL
DEPARTMENT OF DEFENSE**

INSPECTOR GENERAL INSTRUCTION 4100.33 GOVERNMENTWIDE COMMERCIAL PURCHASE CARD PROGRAM

TABLE OF CONTENTS

	Page
A. Purpose	1
B. Cancellation.....	1
C. Applicability.....	1
D. Definitions	1
E. Policy.....	1
F. Responsibilities	2
1. Inspector General	2
2. Chief of Staff, OIG DoD	2
3. Director, Administration and Logistics Services Directorate (ALSD)	2
4. Chief, Logistics Services Division (LSD).....	2
5. Purchase Card Coordinator, LSD	3
6. OIG Component Head.....	4
7. Comptroller, OIG DoD	4
8. Acquisition and Property Management Branch, ALSD	5
9. Deputy Inspector General for Investigations (DIG-INV)	5
10. Deputy Inspector General for Inspections Policy and Oversight (DIG-IPO).....	5
11. Deputy Inspector General for Auditing (DIG-AUD)	5
12. Approving Official/Certifying Officer	5
13. Purchase Cardholder	7
14. Purchase Card Customer	8
15. Principal Convenience Check Custodian	8
16. Alternate Convenience Check Custodian.....	8
17. Convenience Check Cashier.....	8
18. Purchase Card Contractor for the OIG DoD	9
19. Merchant/Vendor	9
G. Procedures	9
1. OIG DoD Governmentwide Commercial Purchase Card	9
2. OIG DoD Convenience Checks	9
H. Liability	9
1. Civil Liability	9
2. Criminal Liability	10
3. Authorities.....	10
I. Legal Review.....	10
J. Effective Date.....	10

APPENDICES

A. References	11
B. Definitions	13
C. Guidance for the OIG DoD Governmentwide Commercial Purchase Card.....	17
1. General	17
2. Appointment.....	17
3. Responsibility.....	18
4. Conditions for Use of the Purchase Card	18

5.	Prohibited Uses of Purchase Cards	18
6.	Mandatory Sources of Supply	20
7.	Documentation, Reconciliation, and Payment Procedures.....	21
8.	Billing Errors and Disputes	22
9.	Lost or Stolen Cards	23
10.	Separation of Cardholder	23
11.	Transfer of Cardholder to Another Approving Official/Certifying Officer	24
12.	Violations, Suspension, and Cancellation of the Purchase Card.....	24
13.	Notification and Appeal of Purchase Card/Convenience Check Suspension or Cancellation	24
14.	Account Reviews, Audits, and Suspected Abuse or Fraud	25
15.	Training	26
D.	Guidance for OIG DoD Convenience Checks.....	28
1.	General	28
2.	Appointment.....	28
3.	Responsibilities	28
4.	Minimum Requirements for a Convenience Check Account.....	28
5.	Establishing a Convenience Check Account.....	28
6.	Convenience Check Accounts.....	29
7.	Prohibited Uses of the Convenience Check Account.....	29
8.	Conditions for Designation of Approving Official/Certifying Officer for Convenience Check Accounts	30
9.	Conditions for Designation of Convenience Check Custodian	30
10.	Operating Procedures for Convenience Checks	31
11.	Reconciliation of Convenience Check Accounts	32
12.	Errors and Disputes	32
13.	Lost or Stolen Convenience Checks.....	32
14.	Separation of Convenience Check Custodian/Cashier	32
15.	Transfer of Convenience Check Custodian/Cashier to Another Approving Official/Certifying Officer	32
16.	Convenience Check Violations, Suspensions, or Cancellation	32
17.	Notification and Appeal of Convenience Check Suspensions, Cancellation, or Reimbursement	32
18.	Account Reviews, Audits, and Suspected Abuse or Fraud of Convenience Checks	32
19.	Training for Convenience Checks.....	32
E.	Checklist for Purchase Cardholders	33
1.	How to Use the Purchase Card Log	33
2.	How to Fill Out IG Form 34-3, "Governmentwide Commercial Purchase Card Request for Supplies and Services"	33
3.	Information to Be Included in the Monthly Reconciliation Provided to the Approving Official/Certifying Officer	33
4.	Followup on Disputed Charges and Credits.....	33
F.	Checklist for Approving Officials/Certifying Officers	34
1.	Primary Responsibilities and Duties	34
2.	Reconciliation Steps	34
3.	Disputed Items	34

FIGURES

1.	IG Form 34-1 (formerly IG Form 4100.33-1), Governmentwide Commercial Purchase Card Log	35
2.	Sample Appointment Letter for Approving Officials/Certifying Officers	36
3.	DD Form 577, Signature Card.....	37

4.	Sample Appointment Letter for Purchase Cardholder	38
5.	Sample U.S. Bank I.M.P.A.C. Government Services Form, Cardholder Statement of Questioned Item	39
6.	IG Form 34-3 (formerly IG Form 4100.33-3), Governmentwide Commercial Purchase Card Request for Purchase of Supplies and Services	40
7.	Sample Appointment Letter for Principal/Alternate Convenience Check Custodian or Convenience Check Cashier	43
8.	IG Form 34-2 (formerly IG Form 4100.33-2), Governmentwide Commercial Purchase Card Certificate of Destruction.....	44

July 21, 2003

INSPECTOR GENERAL INSTRUCTION 4100.33

SUBJECT: Governmentwide Commercial Purchase Card Program

References: See Appendix A.

A. Purpose. This Instruction provides policies and procedures, and assigns responsibilities for the administration and use of the Governmentwide Commercial Purchase Card Program (hereafter referred to as the Program) to acquire supplies, services, and equipment for government purposes in support of the Office of the Inspector General of the Department of Defense (OIG DoD) mission.

B. Cancellation. This Instruction supersedes IGDINST 4100.33, *Commercial Purchase Card Program*, December 12, 2001.

C. Applicability. This Instruction applies to the offices of the Inspector General; the Deputy Inspectors General; all OIG DoD assigned staffs and offices, and, as appropriate, the Office of the Deputy General Counsel (Inspector General) (ODGC, IG). For purposes of this Instruction, these organizations are referred to collectively as OIG components.

D. Definitions. See Appendix B.

E. Policy

a. The Program is established under the contracting authority of the Defense Contracting Command-Washington (DCC-W) in accordance with reference a. It is DoD policy that the OIG DoD purchase card only be used to pay for authorized U.S. Government purchases. Use of the purchase card and convenience checks shall be consistent with established guidelines in this Instruction and in accordance with references a through q. Authorized supplies, equipment, training and non-personal services may be purchased with the purchase card up to the micro purchase threshold (currently \$2,500). The purchase card is also authorized as a method of contract payment above the micro-purchase threshold. Contracting officers are encouraged to use the card to place orders and to pay for purchases against contracts established under Part 8 of reference c, when authorized.

b. Without exception, the purchase card may never be used for personal reasons. Only those individuals designated in writing by the Director, Administration and Logistics Services (the Program Director), shall be given the authority to make purchases, and at no time shall the purchase card be used by any individual other than the person to whom the card is issued. A cardholder acting without appropriate authorization and/or outside of the authority specified in his or her delegation of authority may be personally liable for his or her actions. It is OIG DoD policy that purchase cards and convenience checks shall not be issued without the coordination of the OIG DoD Agency Program Coordinator (APC) and approval by the Program Director. Training for the purchase card is a mandatory requirement and shall be completed before the card is issued. Refresher training every 2 years is required to maintain Cardholder or Approving Official status.

c. It is OIG DoD policy to pay billing statements (invoices) promptly and to qualify for maximum rebates available from the bank for timely payment in accordance with the contract with the bank.

d. The OIG DoD has elected to use the Customer Automation and Reporting Environment (C.A.R.E.), an electronic data interface, for the Program. Upon implementation, C.A.R.E. will allow the flexibility to set up accounts, perform maintenance on accounts, allocate funds, submit electronic certification of billing statements (invoices), and create reports. Overall, C.A.R.E. will help ensure a strong internal control environment for the Program.

F. Responsibilities

1. The **Inspector General** shall:

- a. Establish an OIG DoD Governmentwide Commercial Purchase Card Program.
- b. Designate the Chief of Staff as the official responsible for overall management and administration of the Program.

2. The **Chief of Staff, OIG, DoD**, shall act as the **Program Director** responsible for the overall management, administration, control, and discipline of the Program.

3. The **Director, Administration and Logistics Services Directorate (ALSD)**, shall:

- a. Direct the administration of the Program including appointment of the APC.
- b. Monitor the implementation of internal controls for the Program.
- c. Monitor the appropriateness of delegations of authority issued to OIG DoD personnel to purchase supplies, equipment, and non-personal services at (and exceeding) the micro purchase threshold.
- d. Ensure that policies and procedures governing the use of the OIG DoD Governmentwide Commercial Purchase Card are developed and updated timely.
- e. Monitor the progress of training established for the Program.
- f. Monitor the appropriateness of the span of control for AO/COs.
- g. Monitor the implementation of corrective actions identified in the annual audit of the Program.
- h. Monitor the implementation of C.A.R.E. and keep the Chief of Staff apprised of issues that may hinder its implementation in a timely manner.

4. The **Chief, Logistics Services Division (LSD), ALSD**, shall:

- a. Coordinate and administer the Purchase Card Program. This includes APC oversight, policy development, purchase card and convenience check account approval, and disciplinary action review.
- b. Provide input to the OIG DoD budget process including estimates of supply and service requirements to be purchased with the purchase card.
- c. Establish and direct the implementation of C.A.R.E.

d. Ensure a training program is developed and implemented and training funds are requested for the Program.

5. The **Purchase Card Coordinator, LSD**, shall:

a. Be the **APC** responsible for managing the Program and maintaining the integrity of the Program.

b. Develop a training program for the Program.

c. Provide purchase card training to cardholders and AO/COs every 2 years and maintain a current list of all trained individuals.

d. Ensure delegations of authority and purchase cards are not issued to cardholders or AO/COs until they are trained.

e. Review and process requests (including the preparation of a delegation of authority letter) for new purchase cardholders and AO/COs, making recommendations for approval or disapproval as appropriate.

f. Coordinate the renewal of purchase cards, including notification to the bank.

g. Update changes to existing accounts (i.e., address/phone number changes, merchant activity type codes, monthly spending limits, etc.).

h. Conduct and document random spot reviews of purchase cardholders and AO/CO activities.

i. Provide ongoing advice on purchase card matters.

j. Serve as liaison between the cardholder and the purchase card contractor, other participating activities, and the General Services Administration (GSA).

k. Work with cardholders and AO/COs to resolve disputed purchases or transactions.

l. Maintain the required span of control for AO/COs for certification purposes. (The APC will determine if the span of control is acceptable during the annual inspection of AO/CO accounts. The span of control for the APC shall not exceed 300 accounts, including both the cardholder and AO/CO accounts.)

m. Initiate disciplinary action (including revocation and suspension) of purchase card account privileges for individual cardholders and AO/COs who violate purchase card procedures.

n. Inspect 100 percent of the AO/COs' accounts annually, using hands-on inspection or other alternate methods.

o. Attend the annual GSA Smart Pay Conference.

p. Identify Merchant Category Code (MCC) codes to the issuing bank for use by the cardholders.

q. Ensure that actions are taken to resolve delinquent payments on purchase cardholder accounts as a result of:

- (1) Late reconciliation of statement of accounts by cardholders.
 - (2) Late certification of AO/COs billing statement.
 - (3) Payments lacking identification to the invoice and general confusion on amounts due.
- r. Maintain statistics and management reports relative to the Program.
 - s. Implement C.A.R.E. and serve as the functional point of contact responsible for the following:
 - (1) Setting up new managing (AO/CO) and cardholder accounts.
 - (2) For managing accounts, locating and changing managing account information, and changing account information and authorization controls.
 - (3) For cardholder accounts, locating and changing cardholder information, changing organization information, changing authorization controls, changing account options, and moving cardholder accounts.
 - (4) Creating reports, changing passwords, and communicating within C.A.R.E.
 - t. Be the **Dispute Official** responsible for resolving disputed purchases or transactions that the cardholder and the AO/CO are unable to resolve.
6. Each **OIG Component Head** shall:
- a. Maintain an environment within the OIG component that sets a positive and supportive attitude toward internal control and conscientious management of the Program.
 - b. Recommend and forward requests for approval of cardholders, convenience check custodians/cashiers (primary and alternate as applicable), and AO/CO within the OIG component to the Chief of Staff.
 - c. Recommend the specific cardholders assigned to AO/CO within the OIG component and monitor the required span of control.
 - d. Ensure cardholders and all individuals involved with the Program attend designated training courses.
 - e. Monitor purchase cardholders to ensure all purchases placed are authorized for official government business.
 - f. Provide input to the OIG DoD budget process including estimates of supply and service requirements to be purchased with the purchase card.
 - g. Ensure adequate tracking of budgeted funds within the component before purchases are made and ensure the use of IG Form 34-1 (formerly IG Form 4100.33-1), *Governmentwide Commercial Purchase Card Log* (Figure 1, page 35), or any other electronic spreadsheet, as long as the headings of the purchase card log sheet are captured.

7. The **Comptroller, OIG DoD**, shall:

- a. Provide detailed instructions for the funding pertaining to purchase cards.
 - b. Ensure funding for the purchase card is included in the OIG DoD budget process.
 - c. Review costs incurred for purchases and any changes to projected requirements to adjust funding authorization during the quarterly budget review process. Other adjustments may be made during the year at the request of the OIG component.
 - d. Fund purchase card using the “bulk” funding method, that requires a specific fund reservation (obligation or formal commitment) be posted to the official accounts records before payment of the billing statement (invoice) (reference o).
 - e. Assign one line of accounting classification (“bulk” funding method) for each cardholder account and coordinate with the APC who will enter the accounting classification in the Master Accounting Code field on the purchase card account setup or account maintenance information form.
 - f. The same line of accounting provided to AO/COs for cardholder’s bulk funding will be used for payment of interest penalties.
 - g. Provide proper interest penalties for payments that exceed the Prompt Payment Act timeframe.
 - h. Upon implementation of C.A.R.E., set up and maintain child cost allocation rule sets, set up and maintain alternate accounting codes, move cost allocation rule sets, and interface with the APC on these matters as needed.
8. The **Acquisition and Property Management Branch, ALSD**, shall record in a timely manner purchase card transactions that require accountability.
9. The **Deputy Inspector General for Investigations (DIG-INV)** shall, in addition to the responsibilities in paragraph F.6 above, be responsible for approving statutorily mandated reimbursement of selective third party costs related to the processing of OIG DoD subpoenas, and for obtaining ODGC, IG coordination.
10. The **Deputy Inspector General for Inspections and Policy (DIG-IPO)** shall, in addition to the responsibilities in paragraph F.6 above, be responsible for handling reimbursement requests for subpoenas served by the military criminal investigative agencies.
11. The **Deputy Inspector General for Audit (DIG-AUD)** shall, in addition to the responsibilities in paragraph F.6 above, conduct an annual audit of the Program including convenience checks and provide the results in a written report to the Program Director.
12. Each **Approving Official/Certifying Officer** shall:
- a. Be recommended by the applicable OIG Component Head and appointed by the Chief of Staff in writing (see Figure 2, page 36).
 - b. Be responsible for:
 - (1) Performing oversight of all cardholders within the component.
 - (2) Reviewing and certifying component cardholders’ monthly statements of account and verifying that transactions were necessary for official government purchases.

(3) In the absence of the cardholder, reconciling the cardholder's monthly statement of account (includes supporting documentation and receipts).

(4) Reporting suspected cases of fraudulent, improper, abusive, or questionable purchases to the APC.

c. Be directly responsible to the Chief of Staff for violations of procurement law when acting in the capacity of an AO/CO.

d. Confiscate purchase cards for destruction when a cardholder is reassigned or a cardholder's delegation of authority is revoked for cause.

e. Not be subordinate to any cardholder under his or her approving authority.

f. Carry out certifying officer duties in accordance with Volume 5, Chapters 2 and 33, of reference b and in accordance with reference p.

g. Acknowledge acceptance of his or her appointment as an AO/CO and complete DD Form 577, *Signature Card* (Figure 3, page 37).

h. Be held pecuniary liable for the legality and accuracy of proposed payments he or she certifies.

i. Not perform functions of convenience check custodian or cashier (in order to maintain effective internal controls).

j. Ensure billing statements (invoices) are paid within the Prompt Payment Act timeframes (reference d).

k. Ensure timely receipt of each cardholder's statement of account and backup documentation for review and processing. (Certify invoices for payment within 5 working days of date of billing statement.

l. Appoint alternate AO/COs for all purchase card accounts.

m. Reconcile monthly billing statements (invoices) with cardholders' monthly statements.

n. Ensure that dispute forms are accurate and sent to the bank.

o. Maintain a ratio of not more than seven cardholders to each AO/CO.

p. Verify that purchases requiring accountability for inventory management purposes are reported to the Acquisition and Property Management Branch, ALSD.

q. Upon implementation of C.A.R.E., be responsible for proper transaction management of the following:

(1) Certifying and approving billing statements (invoices).

(2) Reviewing cardholder transactions/rejecting transactions.

(3) Acting on behalf of the cardholder to dispute or reallocate a cardholder transaction; appending transaction detail; and, creating, maintaining, and reallocating a separate transaction log.

13. The **Purchase Cardholder** shall:

- a. Be recommended by the applicable OIG Component Head and appointed in writing by the Chief of Staff/ALSD (see Figure 4, page 38).
- b. Be directly responsible to the Chief of Staff/ALSD, for violations of laws when acting in the capacity of a purchase cardholder.
- c. Maintain an IG Form 34-1, ensure proper preparation and approval of IG Form 34-3, and, obtain certification of funds available for all purchases.
- d. Use the purchase card only for authorized purchases approved for official government business to fulfill mission requirements.
- e. Not use the purchase card for any item for which he or she is the requiring agent, unless the item is to be delivered to a central receiving location, or the cardholder's AO/CO specifically authorized the action.
- f. Safeguard the purchase card and the purchase card account number.
- g. Notify the AO/CO and the APC of a lost or stolen purchase card, including the unauthorized use of the purchase card or account number.
- h. Ensure funds are available before making purchases, screen for mandatory sources (e.g., JWOD), and rotate vendors.
- i. Observe all dollar limitations on purchases.
- j. Reconcile and document transactions in accordance with designated procedures in Appendix C, paragraph 7.
- k. Send dispute forms to the bank promptly and attach a copy to your statement when forwarding to AO/CO (see Figure 5, page 39).
- l. Report purchases to the Acquisition and Property Management Branch, ALSA, that require accountability for inventory management purposes.
- m. Obtain designated training on the use of the purchase card.
- n. Not be his or her own AO/CO.
- o. Be alert to the indicators of fraud and report suspected fraud immediately.
- p. Record rebates and credits received on the IG Form 34-1.
- q. Upon implementation of C.A.R.E., be responsible for the following transaction management for his or her cardholder account:
 - (1) Approving, disputing, and reallocating cardholder transactions.
 - (2) Appending transaction detail and creating a separate transaction log.
 - (3) Reconciling transactions.

- (4) Using reporting, communicating, and administrative capabilities within C.A.R.E.

14. The **Purchase Card Customer** shall:

- a. Provide complete and accurate information on IG Form 34-3 (formerly IG Form 4100.33-3), *Governmentwide Commercial Purchase Card Request for Purchase of Supplies and Services* (Figure 6, page 40) for all purchase requests.
- b. Obtain approval from his or her supervisor or AO/CO for purchase card requests before submitting to the purchase cardholder.
- c. Ensure items requested by purchase card are for official government business to fulfill mission requirements.

15. The **Principal Convenience Check Custodian** shall:

- a. Be recommended by the applicable OIG Component Head and appointed by the Chief of Staff in writing (see Figure 7, page 43).
- b. Be responsible for ordering, receiving, storing, issuing, conducting inventory, and reconciling and disposing of check stock.
- c. Maintain a convenience check account and not be responsible for originating, approving, and processing the requirement for a check.
- d. Safeguard the checkbook and account number.
- e. Enter the following information into the Defense Financial Accounting Service (DFAS) system for the completion of TD Form 1099 for: (Volume 10, Chapter 6 of reference b pertains.)
 - (1) Cumulative payments over \$600 made to noncorporate contractors for salaries, wages, commissions, fees, rent (unless paid to a real estate agent), royalties, awards, prizes, interest penalties under the Prompt Payment Act, and other forms of compensation.
 - (2) Cumulative payments over \$600 to a corporation engaged in providing medical or health care services unless the payment is made to a hospital or extended care facility that is exempt from taxation under 26 U.S.C. 501(a).

16. The **Alternate Convenience Check Custodian** (if appointed) shall be appointed in the same manner and have the same responsibilities as the Principal Convenience Check Custodian, however, act only in the absence of the Principal Convenience Check Custodian, (Volume 5, Chapter 2, Paragraph 021002B.2.b of reference b).

17. The **Convenience Check Cashier** shall:

- a. Be recommended by the applicable OIG Component Head and appointed by the Chief of Staff in writing (see Figure 7).
- b. Inscribe (print), sign, and issue checks.
- c. Perform the functions of the convenience check custodian, as necessary.
- d. Be a purchase cardholder so long as the policies and procedures defined in Volume 5, Chapter 2, of reference b are observed.

- e. Safeguard the checkbook and account number.
- f. Obtain prior approval for all purchases paid for by check.

18. The **Purchase Card Contractor for the OIG DoD is the issuing bank**, which provides the following services:

- a. Paying merchants for purchase card transactions.
- b. Establishing purchase cardholder accounts.
- c. Issuing cards.
- d. Preparing the monthly statement for each cardholder.
- e. Issuing billing statements (invoices).
- f. Providing 24-hour customer service.
- g. Preparing reports to assist the OIG DoD in using its funds.
- h. Providing assistance with dispute resolution.

19. A **Merchant/Vendor** may be one of the following that provides supplies and services upon request to the OIG DoD:

- a. A required source inside or outside the government.
- b. Another government agency.
- c. A private sector merchant of supplies or services.

G. Procedures

1. **OIG DoD Governmentwide Commercial Purchase Card.** Guidance is provided in Appendix C.

2. **OIG DoD Convenience Checks.** Guidance for the use of convenience checks is provided in Appendix D.

3. Appendices E and F are checklists for use by the purchase cardholder and the AO/CO in performing their daily duties.

H. Liability

1. **Civil Liability.** Use of the purchase card for other than authorized, official OIG DoD business may result in immediate revocation of the cardholder's authority to use the purchase card. A cardholder acting without appropriate authorization and/or outside of the authority specified in his or her delegation of authority may be personally liable for his or her actions. Where there is fraud, the cardholder may be liable for an amount three times the government's damages plus \$10,000 for each false or fraudulent entry or transaction under reference e.

2. **Criminal Liability.** A cardholder and/or AO/CO may be subject to a fine of not more than \$10,000 or imprisonment for not more than 5 years, or both (references f and g). Under certain circumstances, penalties are higher.

3. **Authorities.** The following authorities (not all inclusive) allow action against an individual who misuses the purchase card.

a. Criminal:

- (1) False Claims, 18 U.S.C. § 287
- (2) False Statements, 18 U.S.C. § 1001
- (3) Major Fraud Act, 18 U.S.C. § 1031
- (4) Mail Fraud, 18 U.S.C. § 1341
- (5) Wire Fraud, 18 U.S.C. § 1343
- (6) Conspiracy to Defraud, 18 U.S.C. § 371
- (7) Conflicts of Interest, 18 U.S.C. § 208
- (8) Uniform Code of Military Justice (military only), 10 U.S.C.

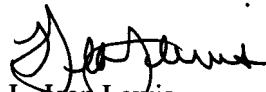
b. Civil/Administrative:

- (1) False Claims Act, 31 U.S.C. § 3729, et seq.
- (2) Program Fraud Civil Remedies Act, 31 U.S.C. § 3801, et seq.
- (3) Anti-Kickback Act, 41 U.S.C. § 51, et seq.
- (4) Suspension of employment without pay
- (5) Termination of employment

I. Legal Review. The ODGC, IG, shall provide legal advice as necessary and coordinate with the ODIG-INV regarding requests for payment processing for charges related to OIG DoD subpoenas.

J. Effective Date. This Instruction is effective immediately.

FOR THE INSPECTOR GENERAL:


L. Jean Lewis
Chief of Staff

APPENDIX A REFERENCES

- a. Memorandum of Understanding (MOU) between OIG DoD and DCC-W, October 2001
- b. DoD 7000.14-R, "Financial Management Regulation"
 Volume 5, Chapter 2
 Volume 5, Chapter 33
 Volume 10, Chapter 6
- c. Federal Acquisition Regulation
 Part 3.104-12
 Part 8.001
 Subpart 4.805
 Subpart 13.2
 Subpart 213.2
- d. 5 CFR 1315, Prompt Payment Final Rule
- e. 31 U.S.C. 3729, False Claims, as of January 5, 1999
- f. 18 U.S.C. 287, False, Fictitious or Fraudulent Claims, as of January 23, 2000
- g. 18 U.S.C. 1001, Statements or Entries Generally, as of January 23, 2000
- h. IGDM 4140.1, *Property Management Program*, March 29, 2001
- i. Secretary of Defense Memorandum, "Purchase Card Program Reengineering Implementation Memorandum #6, 'Streamlined Payment Practices,'" July 20, 1998
- j. Deputy Secretary of Defense Memorandum, "Purchase Card Reengineering Implementation Memorandum #4, 'Use of I.M.P.A.C. Card for Transactions with Defense Automated Printing Service,'" May 5, 1997
- k. IGDM 5015.2, *Records Management Program*, June 2000
- l. DoD Directive 5500.7, "Standards of Conduct," August 30, 1993
- m. DoD 5500.7-R, "Joint Ethics Regulation," August 30, 1993
- n. Under Secretary of Defense (Comptroller) Memorandum, "Purchase Card Reengineering Implementation Memorandum #3, Streamlined Payment Practices," March 27, 1997
- o. Under Secretary of Defense (Comptroller) Memorandum, "Purchase Card Reengineering Implementation Memorandum #3, Change 1, Streamlined Payment Practices," June 30, 1998

- p. Deputy Under Secretary of Defense (Comptroller) Memorandum, "Purchase Card Reengineering Implementation Memorandum #1, Change 1, Certifying Officer Guidance," November 20, 1998
- q. DCC-W "User's Guide to the GSA SmartPay Purchase Card Program, FY 2001 Edition"

APPENDIX B DEFINITIONS

1. **Agency Program Coordinator, OIG DoD.** The Program Coordinator serves as the focal point for coordinating applications, issuance and destruction of cards, establishment of reports, and administrative training. That individual also serves as the liaison between the OIG DoD, the issuing bank, the DCC-W contracting office, and the GSA contracting officer. He or she manages the Program, establishes training for the cardholders and AO/COs, coordinates with the Chief of Staff to establish dollar limitations, and identifies merchant codes to the issuing bank for use by cardholders.
2. **Appointing Official.** The individual responsible for appointing in writing cardholders, convenience check custodians/cashiers, and AO/COs.
3. **Approving Official/Certifying Officer (AO/CO).** (Also, referred to as the Billing Official in the purchase card arena.) The individual responsible for reviewing a cardholder's monthly statements and serving as the liaison with the OIG DoD Program Coordinator. The AO/CO is responsible for certifying a cardholder's monthly statements and ensuring payments are for authorized purchases made in compliance with federal, DoD, and OIG DoD regulations, procedures, and policies. A cardholder may not be his or her own AO/CO and cannot be an AO/CO for his or her supervisor. (Within the OIG DoD, the approving official, certifying officer, and the billing official are one and the same. These individuals shall be referred to as the "Approving Official/Certifying Officer" in this Instruction.)
4. **Authorization.** The process of verifying that a purchase is within the established cardholder limits. The merchant accomplishes authorization at the time of sale through verification with the bank before completing the purchase transaction.
5. **Billing Invoice.** A consolidated billing from the bank of all the purchases made by cardholders under the AO/CO's master account.
6. **Bulk Funding Method.** When authorized by a fiscal and accounting officer to obligate funds on purchase documents against a specified lump sum of funds reserved for that purpose for a specified period of time rather than obtaining individual obligation authority on each purchase document. Bulk funding is particularly appropriate if numerous purchases using the same type of funds are to be made during a given period.
7. **Cardholder.** The individual to whom a purchase card is issued. The purchase card bears the cardholder's name and may only be used by the person to whom the card is issued for authorized U.S. Government purchases, subject to compliance with the Federal Acquisition Regulation, the DoD Federal Acquisition Supplement, and OIG DoD regulations, policies and procedures. The cardholder is trained in small purchases and the proper use of the purchase card. Each cardholder is required to reconcile his or her monthly "Statement of Account" from the issuing bank and forward the reconciled statement to his or her AO/CO.
8. **Cardholder Statement of Account.** A monthly bank statement (mailed directly by the bank to each cardholder) listing all purchases, credits, and other activity on a cardholder's individual account. The statement is used to reconcile the cardholder's account.
9. **Cardholder Statement of Questioned Items (CSQI).** The bank form on which cardholders claim credit for disputed items that cannot be resolved with the vendor.
10. **Convenience Check.** Provided through the GSA contract for the governmentwide purchase card. The contract requires that the card providers operate a convenience check writing system that

allows DoD activities, including overseas locations, to make selected minor purchases and payments using checks in lieu of cash. Checks shall be written for no more than \$2,500.

11. **Customer Automation and Reporting Environment (C.A.R.E.).** The U.S. Bank's purchase card electronic data interface that provides functional capabilities including transaction review, approval transaction, reallocation of funding, and filing disputes.
12. **Delegation of Authority.** A written delegation issued by responsible agency personnel that establishes authorized cardholder(s), specifying spending and usage limitations unique to that cardholder.
13. **Dispute.** A questionable transaction that is posted to the statement of account.
14. **Dispute Official.** The official responsible for resolving disputed purchases or transactions that the cardholder and the AO/CO are unable to resolve.
15. **Electronic Certification.** An approved electronic signature adopted by a certifying officer that is unique to the certifying officer (AO/CO within the OIG DoD) capable of verification by the disbursing officer; under the sole control or custody of the certifying officer; and linked to the data certified in such a manner that if the data are changed, the electronic signature is invalidated.
16. **Fraud.** Any felonious act of corruption or attempt to cheat the government or corrupt the government's agents committed either by government employees or by merchants.
17. **Governmentwide Commercial Purchase Card.** Similar in nature to a credit card, issued to authorized agency personnel to acquire and to pay for supplies, equipment, and non-personal services.
18. **Internal Controls.** The manner in which financial, manpower, and property resources are controlled and safeguarded by the regular authorization, approval, documentation, recording, reconciling, reporting, and related accounting processes.
19. **Invoice.** The AO/CO's monthly billing statement received from the contractor (bank) for payment of one or more agency cardholder statements. An invoice may also refer to a bill submitted by a vendor, such as a shipping document.
20. **Javits-Wagner-O'Day (JWOD).** A unique federal procurement program that generates employment and training opportunities for people who are blind or have other severe disabilities.
21. **Merchant/Vendor.** A source from which supplies and services are provided.
22. **Merchant Activity Type (MAT) Codes.** Codes that define the type of merchant from which the cardholder may make authorized purchases.
23. **Micro Purchase.** An acquisition of supplies or services, not exceeding \$2,500.
24. **Monthly Cardholder Limit.** Determines the maximum dollar amount that will be authorized a cardholder within a 30-day billing cycle.
25. **Monthly Office Limit.** The monthly limit (of each AO/CO) based on the aggregate of the purchasing authority of all cardholders assigned to an AO/CO.
26. **Program Director.** The individual responsible to the Inspector General of the DoD for overall management of the Program.

27. **Prompt Payment Act.** Requires agencies to pay their monthly billing statements within 23-30 days of receipt. An interest penalty shall be paid automatically by the payment office, without request from the bank, if payment is not made by the due date.
28. **Purchase Card Contractor.** The issuing bank is the contractor that provides banking services to the OIG DoD for the Program.
29. **Purchase Card Log.** A list of the cardholder's individual transactions. Entries in the log are supported by documentation that is used for reconciling the cardholder's statement of account.
30. **Purchase Card Customer.** The individual who initiates the purchase request. Usually, this is the individual who signs for and uses the item when delivered.
31. **Purchase Request.** The source document for all micro purchases (IG Form 34-3).
32. **Rebates.** Refunds based on sales volume (payments) and payment timeliness.
33. **Receiving Official.** A military member or civilian employee authorized to substantiate the receipt, inspection, and acceptance of goods and/or services.
34. **Reconciliation.** The process by which a cardholder and AO/CO review transactions on monthly statements, reconcile them against available documentation, and authorize payment of charges.
35. **Reviewing Authority.** For purposes of this Instruction, it refers to the OIG DoD chain of command through which an appeal is processed and reviewed for a decision.
36. **Single Purchase Limit.** The maximum amount authorized by a delegation of authority for a single purchase on a purchase card. The limit cannot be exceeded unless a revised delegation of authority is issued.
37. **Small Purchase.** An acquisition of supplies or non-personal services in the amount of \$25,000 or less.
38. **Span of Control.** Refers to the number of cardholders assigned to an AO/CO. A ratio of not more than seven cardholders to one AO/CO is the OIG DoD policy.
39. **Split Purchase.** Two or more orders issued within a short period of time by cardholders under the same AO/CO for like or related materials or services for the purpose of circumventing the \$2,500 per order limit. Examples of split purchases include the following:
 - a. A single cardholder making multiple purchases from the same merchant on the same day, the total of which exceeds the single purchase limit and the total requirement was known at the time of the first purchase.
 - b. A single cardholder purchasing the same/similar item(s) from multiple merchants on the same day, the total of which exceeds the single purchase limit and the total was known at the time of the first purchase.
 - c. A single cardholder making multiple purchases of similar items from the same or multiple merchants over a period of time when the total requirement was known at time of the first purchase and the value exceeds the single purchase limit.

- d. Multiple cardholders under the same supervision/approving official purchasing the same/similar item(s) the same day or in a compressed timeframe when the total requirement is known at a given time and exceeds the single purchase limit.
- 40. **Statement of Account.** A monthly list of all purchases made by the cardholder and billed by the merchant including all credits authorized by the issuing bank.
- 41. **Suspension.** The process in which a cardholder is disallowed from making purchases with the purchase card because of delinquency or multiple pre-suspension actions.

APPENDIX C

GUIDANCE FOR THE OIG DOD GOVERNMENTWIDE COMMERCIAL PURCHASE CARD

1. General. Through the GSA SmartPay program, the U.S. Bank is the issuing bank that provides purchase card services, including convenience checks, for the OIG DoD.

2. Appointment

a. All requests for purchase cards or convenience check accounts must be made in writing to the Chief of Staff. The request shall contain:

- (1) Name, organization, office and home phone numbers, and fax number.
- (2) Cardholder's mailing address.
- (3) AO/CO name and phone number.
- (4) AO/CO mailing address.
- (5) Types of purchases.

(6) Single line of accounting for the cardholder's account obtained from the Comptroller, OIG DoD.

b. The APC is responsible for reviewing and processing requests for purchase cards and making recommendations regarding the appropriateness of approval or disapproval for each cardholder, as well as, reviewing and recommending the span of control for each AO/CO.

c. Each cardholder and AO/CO is issued a Delegation of Authority memorandum (prepared by the APC and signed by the Program Director) that authorizes him or her to make purchases with the purchase card or approve purchases under their authority. The memorandum will state the cardholder's single purchase limit (\$2,500), the monthly purchase limit, and the office monthly limit (for AO/COs only). Training on the use of the purchase card and convenience check are required before they are issued. The cardholder and AO/CO must acknowledge acceptance of the Delegation of Authority by signing and providing a copy of the acceptance to the APC, the AO/CO, and the appointing official. It is mandatory that the cardholder and AO/CO become thoroughly familiar with his or her responsibilities and accountability. The AO/COs must retain a list of the cardholders under their approving authority and not be subordinate to any cardholder. If authorized to make purchases above \$2,500, cardholders not in contracting organizations will use the purchase card only to obtain items from pre-priced contracts and agreements (e.g., Federal Supply Schedule (FSS), BPA, Indefinite Delivery/Indefinite Quantity contracts, etc.). Cardholders must comply with the requirements of this Instruction for establishing, funding, reconciling, and approving card purchases even when the card is used as a payment method on a contractual document. Purchases greater than \$2,500 must incorporate required clauses and data or processes mandated by statute, executive order, policy, or regulation and comply with all FAR competition, documentation, and reporting requirements.

d. The AO/COs shall be appointed in writing by the Program Director. They are responsible for certifying vouchers and documents for payment and have pecuniary liability for any illegal, improper, or incorrect payment processed. The AO/COs must acknowledge acceptance of the appointment and complete a DD Form 577, *Signature Card* (Figure 3, page 37). The AO/COs must retain a list of the cardholders and/or check cashiers under their authority and cannot be subordinate to either.

e. A cardholder cannot be his or her own AO/CO, nor can an individual be an AO/CO for his or her supervisor.

3. Responsibilities. Responsibilities are discussed throughout the Instruction. Section F and Appendices A and C of this Instruction include, but are not limited to, identifying the responsibilities for individuals related to the purchase card.

4. Conditions for Use of the Purchase Card

a. The total of a single purchase may include multiple items but cannot exceed the cardholder's authorized single purchase limit (\$2,500) including shipping and handling. No split purchasing is permitted. (See Appendix B for a definition and examples of split purchase.)

b. All items purchased over the counter with the card must be immediately available or within the 30-day billing cycle. Backordering is not permitted.

c. All items purchased by telephone should be delivered within the 30-day billing cycle.

d. When purchasing by telephone, inform the vendor that the purchase is for official government purposes and not subject to state or local sales tax. (If a merchant requires more verification of the tax-exempt status of the purchase, the cardholder should contact the APC for a tax-exempt letter.)

e. When purchasing supplies or services from a commercial vendor, the cardholder is required to rotate sources among vendors.

f. Funds must be available and the purchase must be authorized before making the purchase.

g. The cardholder should confirm that the vendor agrees to charge the card when shipment is made or training completed so receipt of supplies may be certified on the monthly statement of account.

h. The price should include a confirmation of any shipping/delivery costs.

i. Small purchases may be made in accordance with Part 13 (Small Purchase and Other Simplified Purchase Procedures) of reference c.

j. Orders may be placed against established contracts or with established sources of supply (Part 8 of reference c) only when authorized by the contract regulation requiring use of the source.

k. Supplies or services that are acquired through a purchase order or written contract may be made with the purchase card if within the cardholder's Delegation of Authority appointment.

5. Prohibited Uses of the Purchase Card

a. Use of the purchase card is prohibited for the following transactions:

(1) Cash advances. (This includes money orders, travel checks, and gift certificates.)

(2) Rental or lease of motor vehicles. (Except for short-term (up to 30 days) rental/lease of motor vehicles for the Defense Criminal Investigative Service (DCIS) in receiving and transporting records in connection with serving a subpoena, or for rental vans for search warrants, or other business-related items that are critical to performing mission essential tasks.)

(3) Rental or lease of land or buildings. (Rental of storage service facilities for records relating to DCIS cases is authorized.)

(4) Purchase of airline, bus, boat, train, or any other travel-related tickets, with the exception of Metro passes and tokens for local travel.

(5) Purchase of meals, drinks, lodging, or other travel or subsistence costs.

(6) Purchase of automotive supplies, fuel, oil, services, or any services for Interagency Fleet Management vehicles (GSA-assigned vehicles). That does not include material handling equipment, confiscated vehicles, Defense property disposal vehicles, or DCIS-owned vehicles.

(7) Janitorial and yard services.

(8) Personal clothing or footwear, other than that authorized by a governing regulation.

(9) Individual telephone calls.

(10) Furniture, carpet, drapes, or other window treatments, and office furnishings requiring coordination with the Administrative Services Branch (unless approved in advance by the Administrative Services Branch, ALSD).

(11) Automatic data processing, audiovisual, photographic, or communications equipment, unless approved in advance by the Information Systems Directorate and coordinated with the Acquisition and Property Management Branch, ALSD (except in a bona fide DCIS investigative emergency).

(12) Weapons and pyrotechnics.

(13) Accountable property as defined in reference h (unless prior approval is received from the Acquisition and Property Management Branch, ALSD).

(14) Office/meeting refreshments (except when specifically authorized by statute, e.g., official conference or official representation function).

(15) Personal gifts (e.g., items with agency logo/identification used for presentations unless specifically authorized).

(16) Construction.

(17) Store credits issued for purchases made on the card.

b. Prohibition on Type of Merchant. Cardholders should contact the APC for clarification if undecided or doubtful about whether an item or service proposed for purchase should be made with the purchase card. Authorization to use the purchase card with the following merchants is not authorized:

(1) Airlines

(2) Travel agencies

(3) Hotels (except for reserving conference rooms)

(4) Restaurants

(5) Bars

c. The following merchant codes are not authorized for official purchases:

4829 – Wire Transfer-Money Orders

5932 – Antique Shops

5933 – Pawn Shops

5937 – Antique Reproductions

5944 – Jewelry Stores

5960 – Direct marketing insurance

6010 – Financial Institutions Manual Cash Advance

6011 – Financial Institutions Automatic Cash Advance

6012 – Financial Institutions Merchandise and Services

6051 – Non-Financial Institutions Foreign Currency, Money Orders, Travelers Checks

6211 – Security Brokers/Dealers

6760 – Savings Bonds

7012 – Timeshares

7273 – Dating and Escort Services

7995 – Betting, Casino Gaming Chips, Off-Track Betting

8651 – Political Organizations

9211 – Court Costs, Alimony, Child Support

9222 – Fines

9223 – Bail and Bond Payments

9311 – Tax Payments

9700 – Automated Referral Service

6. Mandatory Sources of Supply

a. Cardholders are responsible for reviewing the lists of mandatory sources that must be considered before using an open market source. As required by Part 8.001 of reference c, cardholders shall satisfy requirements for supplies and services from or through the sources and publications listed below in descending order of priority:

- (1) Supplies
 - (a) Agency inventories
 - (b) Excess from other agencies

(c) Products available from the Committee for Purchase from People who are Blind or Severely Disabled (NIB/NISH)

(d) Wholesale supply sources, such as stock programs of GSA, Defense Logistics Agency, Veterans Administration, and military inventory control points

(e) Mandatory Federal Supply Schedules

(f) Optional use Federal Supply Schedules

(g) Commercial sources (including educational and nonprofit institutions)

(2) Services

(a) Services available from the NIB/NISH

(b) Mandatory Federal Supply Schedules

(c) Optional use Federal Supply Schedules

b. The purchase card is the method of payment for all training requests valued at or below \$25,000. These payments are exempt from the restriction limiting use of the card as a payment method to contracting officers (reference i).

c. The primary source of printing is the Defense Automated Printing Service (DAPS). Use of the purchase card as payment for transactions with DAPS is mandatory for all printing and reproduction services (reference j), except for printing and reproduction required by the DCIS in conducting mission-essential tasks where the use of DAPS would impede or compromise a case. Questions should be referred to the APC if in doubt.

7. Documentation, Reconciliation, and Payment Procedures

a. All purchases, whether over-the-counter purchases or telephone purchases, must be documented on IG Form 34-3 (formerly IG Form 4100.33-3), *Governmentwide Commercial Purchase Card Request for Purchase of Supplies and Services*, (Figure 6, page 40), and cross referenced by control number to IG Form 34-1 (formerly IG Form 4100.33-1), *Governmentwide Commercial Purchase Card Log*, (Figure 1, page 35). Supporting documentation, such as a vendor invoice, registration, training form (with proper certifying official signatures), agreement form, or other related material should be attached.

b. Completing IG Form 34-3:

(1) The requester is responsible for providing the information on the form and obtaining supervisory or AO/CO signature for the purchase. The cardholder is responsible for obtaining certification of funds available and assignment of a control number. The cardholder shall not process the request without approval from the appropriate supervisor or AO/CO.

(2) All special authorization (Part IV of IG Form 34-1) must be approved in advance in writing, by electronic mail, or by telephone. If obtained by phone, the cardholder will annotate the signature block with the AO/CO name, telephone number, and the date.

(3) On receipt of the items or services purchased, the cardholder will obtain from the requester a signature of receipt in Part II or on the shipping document/invoice.

(4) If receipt for property is received on the shipping document, the cardholder should annotate Part II as “shipping documents signed.”

(5) The cardholder shall cross reference the purchase by control number to IG Form 34-1.

(6) The cardholder shall obtain a customer copy of the charge slip when over-the-counter purchases are made, ensure all carbons are destroyed, and attach it to the IG Form 34-3.

(7) The cardholder shall retain any shipping documents or charge slips and attach them to the IG Form 34-3 for telephone purchases.

c. The cardholder shall retain IG Form 34-1 and IG Form 34-3 (with attachments) for documentation of transactions and for verifying purchases shown on the cardholder’s monthly statement. The packages will be held on file (by billing cycle) for audit or staff review.

d. The cardholder shall maintain a separate IG Form 34-1 for each reporting period.

e. The bank distributes two monthly statements after the end of the 30-day billing cycle:

(1) Cardholder statement of account. All purchases, credits, and other transaction data that the cardholder made in the 30-day billing cycle.

(2) The AO/CO billing statement. A copy of all cardholder statements for which he or she has approving authority and a summary sheet for those statements.

f. The cardholder must reconcile information on the statement of account after receipt of the monthly statement. The cardholder must check each purchase on the statement to verify its accuracy, attach all supporting IG Forms 4100.33-3 (without attachments), sign the statement of account, and forward the reconciled package to the AO/CO, within 3 working days of receipt (a faxed copy is acceptable). If the cardholder cannot reconcile the statement upon receipt because of leave, TDY, etc., his or her records and monthly statement shall be reviewed and certified by the AO/CO. The AO/CO shall review the statement with the cardholder upon his or her return.

g. The AO/CO shall review each cardholder’s statement of account with his billing statement (checking all accounting data, signing all statements of account, and ensuring that any dispute forms are accurate). The AO/CO signs his or her billing statement, makes a copy for the file, a copy for the Comptroller, OIG DoD, and mails the date stamped, signed original to DFAS, Indianapolis, IN. Certified billing statements shall be forwarded to DFAS for payment within 5 working days after receipt from the bank to avoid late payment penalties. The AO/CO shall retain copies of each cardholder’s statement of account and supporting documentation with the certified copy of his or her billing statement. (NOTE: Upon implementation of C.A.R.E., electronic certification will be used.)

h. The AO/CO must retain certified billing statements and supporting documents for 6 years, 3 months. Cardholders are required to retain their cardholder statements and supporting documentation for the same period. Additional guidance for retention of records may be found in Subpart 4.805 of reference c and reference k.

8. Billing Errors and Disputes

a. If a cardholder receives a statement listing a transaction that is not correct, he or she (or the AO/CO in the absence of the cardholder) is responsible for:

(1) Contacting the vendor to resolve the discrepancy.

- (2) Notifying the Dispute Officer through the APC.
 - (3) Completing a dispute form and forwarding it to the bank.
 - (4) Attaching a copy of the dispute form to his or her monthly statement and sending it to the AO/CO. The AO/CO will provide a copy to the Comptroller, OIG DoD. The disputed item is charged to the financial records until the dispute is resolved.
- b. If items purchased with the card are defective, the cardholder should obtain replacement or correction of the item as soon as possible. If a merchant refuses to replace or correct the defective item, the transaction will be considered in dispute. Items in dispute are handled in the same manner as billing errors, discussed above.
 - c. Items that cannot be disputed are shipping, tax, and convenience checks and purchases that are not placed on the purchase card account.

9. Lost or Stolen Purchase Cards

- a. The cardholder shall:
 - (1) Immediately notify the bank by phone.
 - (2) Notify the AO/CO and APC within 1 working day with the following information:
 - (a) Purchase card number.
 - (b) Cardholder's complete name.
 - (c) Date and location of the loss.
 - (d) Date reported to the police, if stolen.
 - (e) Date and time the bank was notified.
 - (f) Any purchases made on the day the card was lost or stolen.
 - (g) Any other pertinent information.
- b. The AO/CO shall submit this information in a written report to the APC within 5 working days.
- c. If the cardholder finds the original card, it shall be cut in half and given to the AO/CO who will complete IG Form 34-2 (formerly IG Form 4100.33-2), *Governmentwide Commercial Purchase Card Certificate of Destruction* (Figure 8, page 44), and forward it to the APC. The AO/CO shall notify the Comptroller, OIG DoD.
- d. The OIG DoD is not liable for unauthorized use of the card.

10. Separation of Cardholder. Upon separation (includes reassignment, retirement, etc.) of a cardholder, the cardholder must surrender the card to his or her AO/CO. The AO/CO shall cut the card in half, complete IG Form 34-2, and forward it to the APC. The APC shall use IG Form 34-2 to cancel the account.

11. Transfer of Cardholder to Another AO/CO. When a cardholder transfers to another office within the OIG DoD, a new card will be issued under the new AO/CO.

12. Violations, Suspension, and Cancellation of the Purchase Card

a. The issuing bank is authorized to suspend a cardholder account when:

(1) A cardholder account with an outstanding balance is 60 days past the billing date. The cardholder account must be paid before the suspension is removed.

(2) One or more cardholder accounts within an AO/CO's authority has an outstanding balance of 180 days. The entire account remains suspended until all cardholder accounts are paid.

b. The Program Director may suspend a cardholder or convenience check account when violations occur.

c. The issuing bank is authorized to cancel any cardholder account that is suspended twice within a consecutive 12-month period.

13. Notification and Appeal of Purchase Card/Convenience Check Suspension or Cancellation

a. If a cardholder, AO/CO, or other appointed individual is in violation of purchase card policies and procedures, including convenience checks, the APC will prepare a letter to the individual's OIG Component Head with copies to the AO/CO and the individual. The letter will state:

(1) That a violation (state the specific violation) occurred.

(2) That the monthly purchase limit for that cardholder has been reduced to \$1.00.

(3) That the revised limit will remain as such until:

(a) Appropriate management action has been taken with regard to the violation and the person causing the violation.

(b) The person causing the violation has received additional training and counseling on card procedures.

(4) Whether cancellation or suspension of the person's credit card/convenience check account is recommended, when deemed appropriate.

(5) The person causing the violation has the right to appeal the decision and may submit a Letter of Appeal through his or her chain of command.

b. Individuals may appeal suspension and/or cancellation of the purchase card/convenience check privilege to the Program Director (via the OIG Component Head and APC) by preparing a Letter of Appeal stating in full detail:

(1) The circumstances involving the card violation.

(2) The reasons why suspension or cancellation of the card should be reversed.

c. At each level of review, the appeal may be disapproved. If a reviewing authority concurs with the position of the person appealing, that reviewing authority should so state, attach his comments to the appeal, and forward to the Program Director for final decision.

14. Account Reviews, Audits, and Suspected Abuse or Fraud

a. **Audits.** An annual audit shall be conducted of the Program to include convenience checks. The OAIG-AUD shall ensure that individuals conducting the audit are independent of the functions being audited. The results of the audit will be provided in writing to the Program Director who shall ensure implementation of actions needed to correct deficiencies or irregularities in the Program.

b. **Reviews.** As an aid to ensuring a strong internal control system is in place for the Program, random and quarterly reviews are required. These reviews shall be conducted on an impartial basis and documented. The documentation shall be made available to the audit team. The APC shall conduct quarterly unannounced reviews of purchase cardholder and AO/CO activities (using the checklist available in the appendix to reference q) to ensure internal control procedures are in place. Appointing officials and AO/COs shall monitor on a continuous basis purchase cardholders to ensure that all purchases made are authorized for official government business.

c. **Suspected Abuse or Fraud.** All OIG DoD employees are responsible for reporting instances of suspected abuse or fraud. Avenues within the OIG DoD for reporting include the chain of command, the APC, the Hotline, the Ethics office, the DCIS, and the DCC-W. Other sources for reporting abuse and fraud include the General Accounting Office (GAO), DoD Hotline, etc. The following are potential indicators of possible fraud:

- (1) Repetitive buys to the same commercial vendor.
- (2) Lack of documentation to make the purchase.
- (3) Purchase cards and account numbers not safeguarded.
- (4) Cardholders or AO/COs authorizing someone else to use the card.
- (5) Inadequate oversight by AO/COs and agencies.
- (6) Unauthorized purchases.
- (7) Payments made for items not received.
- (8) Split purchases to avoid credit card limitations.
- (9) Lack of accounting of nonexpendable or sensitive items.
- (10) Forwarding invoices/billing statements late to DFAS, incurring interest penalties.
- (11) Cardholder's statement of account approved by someone other than the cardholder or alternate AO/CO.
- (12) Cardholders returning merchandise to vendors for store credit vouchers instead of credits issued to the purchase card account.

15. **Training**

a. Training for participants in the Program is mandatory. There shall be no exception to this requirement. Cardholders, appointing officials, AO/COs, convenience check custodians, and cashiers shall be trained in the use of, and responsibilities and accountability for, the purchase card/convenience check. The APC shall prepare the training agenda, establish and publish the schedule for training classes, and ensure that each individual is trained before using the card or approving any purchases. Individuals who have received training are required to sign a statement that they received the required training, were provided reference material for the use of the purchase card, and understand the penalties associated with misuse of the card. The APC will maintain a list of trained individuals and the signed statements of training. Refresher training shall be provided annually to ensure individuals are kept abreast of new policies and procedures issued subsequent to the initial purchase card training.

b. The APC is directly responsible for establishing a comprehensive training program that includes a thorough review of the following:

(1) Federal, Defense, and OIG DoD acquisition regulations, policies, and procedures, including the Anti-Deficiency Act, rotation of sources, price reasonableness, and cashier reporting of payments for services required by the Internal Revenue Service.

(2) Documentation requirements.

(3) Prohibition against splitting requirements.

(4) Required sources of supplies and services and order of precedence of sources.

(5) C.A.R.E.

(6) Any other areas determined to be essential to the Program.

c. Cardholders, check custodians and cashiers, AO/COs, and appointing officials must complete the annual standards of conduct training (references l and m). These individuals occupy positions of public trust, and their conduct must reflect the highest ethical standards.

d. Training sources for the purchase card include the following:

(1) GSA training website <http://www.fss.gsa.gov/webtraining>

(2) DoD Purchase Card Program Management Office website <http://purchase.sarda.army.mil/>

(3) C.A.R.E. website <https://wbt.care.usbank.com/>

(4) USDA Graduate School course on the Government Purchase Card

(5) Defense Acquisition University course on Contracting Fundamentals (Con 101)

(6) Defense Acquisition University course on Simplified Acquisition Procedures (SAP), CON 237, website <http://www.acq.osd.mil/dau/train.html>

(7) FAR website <http://farsite.hill.af.mil/>

(8) U.S. Bank website http://www.usbank.com/impac/train_mktg_material

(9) DCC-W “User’s Guide to the GSA SmartPay Purchase Card Program, FY 2001 Edition” found at website <http://dssw.army.pentagon.mil/dssw/index.html>

(10) Procurement ethics training at website <http://www.usoge.gov>

(11) OIG DoD Ethics Program Office

(12) GSA Advantage. On-Line Shopping Service website <https://www.fss.gsa.gov/cgi-bin/advwel>

(13) DoD E-Mail website <http://www.emallmom.01.dla.mil/scripts/default.asp>

(14) Training classes established and/or approved by the APC including <http://www.dau.mil/>

APPENDIX D

GUIDANCE FOR OIG DOD CONVENIENCE CHECKS

1. **General.** In accordance with Volume 5, Chapter 2, of reference b, the prescribed method for all payments within the Department is Electronic Funds Transfer (EFT). Unless a waiver to the EFT requirement has been approved by the Office of the Secretary of Defense (Comptroller), the preferred method for purchases shall be the use of the government purchase card. If certain restrictions make the use of the purchase card impractical, convenience checks may be used.
2. **Appointment.** Refer to procedures in Appendix C, paragraph 2. Convenience check custodians, alternates, and cashiers are issued a Delegation of Authority memorandum (see Figure 7, page 43) by the Program Director that makes them officially responsible for carrying out their duties.
3. **Responsibilities.** Responsibilities are discussed throughout this Instruction. Section F, Appendix A, and Appendix D of this Instruction include, but are not limited to, identifying the responsibilities for individuals involved with convenience check accounts.
4. **Minimum Requirements for a Convenience Check Account**
 - a. The OIG component and individual must have an active (in good standing) purchase card account before approval of a convenience check account is granted.
 - b. The use of the convenience checks must be considered advantageous to the OIG DoD after evaluating all alternatives to accomplish the same purpose.
 - c. Before any convenience check is issued, every effort must be made to use the government purchase card to make necessary purchases.
 - d. Maximum efforts shall be made to find and use vendors that accept the purchase card as the primary payment vehicle (e.g., electronic or telephone catalog ordering services coupled with overnight delivery).
 - e. The authority to maintain a checkbook shall be justified on an individual OIG component basis and shall be controlled and monitored.
 - f. The number of checkbooks shall be limited to as few as feasible not to exceed one at OIG DoD Headquarters and one to each of the OAIG-INV field office locations.
 - g. Appropriate internal controls, to include one level of approval above the check writer (i.e., an AO/CO) shall be maintained.
 - h. Each convenience check account shall be audited yearly on an unannounced basis by the OAIG-AUD, who shall be independent of the office maintaining the account. The account is subject to unannounced audits and reviews by the APC and the AO/CO.
5. **Establishing a Convenience Check Account**
 - a. Refer to procedures in Appendix C, paragraph 2. The Chief of Staff shall issue Delegations of Authority (prepared in writing by the APC) to the AO/CO, check custodian, and check cashier.
 - b. The APC shall complete and submit the appropriate bank form via the Chief of Staff/ALSD to the bank to set up the account. The application shall include a copy of the document (Delegation of Authority) approving the check account holder. A separate check account holder and AO/CO must be identified for each check account.

6. Convenience Check Accounts

- a. Are provided through the GSA contract for the government purchase card by the issuing banks.
- b. Check amounts shall not exceed \$2,500 per check and shall be issued for the exact payment amount. No split purchasing is permitted. (See Appendix B for a definition and examples of split purchase.)
- c. Offer a mechanism to replace cash for official expenses when card products and other alternatives have been determined unusable.
- d. Will contain standard preprinted information: the United States Government seal and the statements "For Official Use Only," and "U.S. Government Tax Exempt." Will include the maximum dollar limitation per check (\$2,500) and space for the date and the amount of the check. Will carry other information specific to the OIG DoD, such as the name, address, and the account holder's name.
- e. Will be sequentially pre-numbered, multiple-copy documents (with a minimum of at least one copy for the account holder's records).
- f. Shall be reconciled in accordance with standard payment practices established for the purchase card by reference n.
- g. The purchase card issuing bank will provide a supply of checks to the designated convenience check account holder.
- h. The bank will process and pay the checks as they are presented through the bank check clearing system for payment within the authorized dollar limitations established by the OIG DoD for each individual account holder.
- i. The bank will provide a list of the checks cleared on each account holder's billing statement and provide for storage of cleared checks for audit and retrieval purposes.
- j. The bank offers additional features such as "stop payment" and retrieval capabilities. Other features include an audit trail that assists in tracing transactions and "help desk" assistance.
- k. Convenience check accounts shall be "bulk funded" in accordance with "Advance Reservation of Funds" policies addressed in reference o.
- l. Convenience checks shall not be issued as an "exchange-for-cash" vehicle to establish cash funds.
- m. Convenience checks may be mailed, as long as internal controls are in place to avoid duplicate payments to payees.
- n. Administrative costs associated with the purchase of convenience checks are the responsibility of the issuing activity.

7. Prohibited Uses of the Convenience Check Account

- a. Refer to Appendix C, paragraph 5. The convenience check account follows the same rules for prohibited purchases as the purchase card.

b. Situations where the use of the purchase card or convenience check could not be used for an approved official purchase for supplies or services (resulting in an out-of-pocket purchase) would be most unusual and shall not occur on a routine basis. Every effort should be made to obtain telephone or e-mail approval before the purchase if it is determined that the purchase is absolutely necessary to the mission and cannot be obtained through normal procedures. Requests for reimbursement for purchases of this nature shall be submitted to the AO/CO for consideration and shall include the following information:

- (1) A completed IG Form 34-3.
 - (2) A written justification statement regarding the circumstances causing the out-of-pocket purchase and an explanation why prior approval, as required in this Instruction, was not obtained for the purchase.
 - (3) Documentation that identifies the item(s) purchased, where the purchase was made (merchant), and the cost of the item(s).
 - (4) A copy of the receipt for the purchase identifying the type of payment used (cash, personal check, money order, etc.).
- c. Reimbursement for local travel is not authorized for payment with the convenience check account. An SF 1164 must be faxed to the DFAS Travel Pay for local travel.

8. Conditions for Designation of AO/CO for Convenience Check Accounts

- a. May be any individual (i.e., officer, enlisted member, or civilian employee) who is appointed by the Chief of Staff in writing to authorize and certify the issuance of convenience checks by cashiers.
- b. May not perform functions of convenience check custodian or cashier (in order to maintain effective internal controls).
- c. Shall be held accountable and pecuniary liable for the accuracy of the payments.
- d. In the case of purchase card convenience checks, the purchase card approving official is the same as the activity AO/CO (Volume 5, Chapter 2, Paragraph 021002.B.1.d of reference b pertains).
- e. The AO/CO shall be designated as the official authorized to receive and certify payments on the billing statement (invoice) to the paying activity.
- f. Check accounts for AO/COs may be established separate from AO/CO accounts for purchase cards.

9. Conditions for Designation of Convenience Check Custodian

- a. May be any individual (i.e., officer, enlisted member, or civilian employee) who is appointed by the Chief of Staff in writing, to order, receive, store, issue, inventory, reconcile, and dispose of check stock. (The Chief of Staff at his or her discretion, may determine the minimum grade level for the check custodian.)
- b. Each convenience check account shall be under the custody of one individual who is not responsible for originating, approving, and processing the requirement for a check. An alternate custodian may be appointed with the same authorities as the custodian; however, the alternate shall act only in the absence of the principal.

c. Both principal and alternate custodians, as applicable, may be held pecuniary liable for account transactions under their control.

10. Conditions for Designation of Convenience Check Cashier

- a. May be any individual (i.e., officer, enlisted member, or civilian employee) who is appointed in writing by the Chief of Staff to inscribe (print), sign, and issue checks.
- b. May perform the functions of the convenience check custodian.
- c. May be a purchase cardholder so long as the policies and procedures established herein are observed.

10. Operating Procedures for Convenience Checks

a. The convenience check cashier shall issue checks in sequence based on approved requirements. When a check is issued, the pertinent data shall be entered in the checking account log. The amount of the check as well as any fees involved will be entered and the funding tracked on the log. The AO/CO should be notified immediately if there are insufficient funds to cover the check.

b. The requester shall use IG Form 34-3 (Figure 6, page 40) to document that goods and services were received for small purchases and training. The approved and certified form shall be returned to the cashier to serve as the receiving report and to be filed with the checking account records. A copy of the form shall be provided to the Acquisition and Property Management Branch, ALSD, when the payment is for accountable property.

c. At headquarters, the APC, or designee, shall validate whether a vendor accepts the purchase card for the requested purpose before certifying check approval and forwarding to the Comptroller, OIG DoD, for check issuance. Field offices shall validate through their approval official.

d. Training related payment requests must have an approved training request (DD Form 1556) attached (in place of the IG Form 34-3) and a statement from the Human Resource Services Center (HRSC) training purchase cardholder that the purchase card is not accepted.

e. Financial institution/bank reimbursements for subpoenas.

(1) Bank reimbursement for copying and researching charges related to OIG DoD subpoenas does not require IG Form 34-3 to be processed and is not processed through the LSD, ALSD, because the purchase card is not a viable option. Financial institutions/banks do not accept the purchase card as payment for these services. Appropriate documentation in place of the IG Form 34-3 shall be retained for audit purposes.

(2) A memorandum request for payment processing must be submitted by the ODIG-INV (identifying the approved reimbursement payment) and must be coordinated with the ODGC, IG. No payment shall be issued without an ODGC, IG, endorsement. A copy of the bank invoice shall be attached. The memorandum request from the ODIG-INV represents the certification that goods and services were received. The cashier shall retain the memorandum in the checking account files. The ODIG-INV shall pick up the check and send it with a transmittal letter to the requesting financial institution. The cashier shall retain a copy of the transmittal letter showing the check number and date in the checking account files.

(3) The ODAIG-IPO is responsible for reimbursement requests for subpoenas served by the military criminal investigative agencies. The ODIG-IPO is responsible for picking up the check.

11. Reconciliation of Convenience Check Accounts

a. The cashier shall reconcile the monthly cardholder statement of account to the checking account log within 5 working days of receipt. The cashier shall sign and date the statement upon completion of the reconciliation. The checking account log transaction entries should be posted with the statement date when the reconciliation is completed. The statement, a printed copy of the checking account log, IG Form 34-3, and any other supporting documentation shall be submitted to the AO/CO for review.

b. Procedures for certification of the AO/CO's monthly billing statement (invoice) with regard to convenience check purchases are the same as the procedures for purchase cards discussed in Appendix C, paragraph 7.g.

c. The document files for convenience checks shall be retained for 6 years, 3 months. Procedures in Appendix C, paragraph 7.h, pertain.

12. Errors and Disputes. The issuing bank considers transactions processed with a check to be the same as cash. Therefore, it is the cardholder's responsibility to resolve any discrepancies, such as wrong items, partial shipments, exchanges, refunds due, returns, etc. Resolution on these discrepancies is between the cardholder and the vendor. The AO/CO and the APC will assist the cardholder as necessary to rectify disputes.

13. Lost or Stolen Convenience Checks. The convenience check custodian/cashier shall safeguard all unused checks in a secure place (such as a safe or locked cabinet). No other person shall have access to the checks. Lost or stolen checks should be reported to the AO/CO and the issuing bank. Refer to Appendix C, paragraph 9.

14. Separation of Convenience Check Custodian/Cashier. Upon separation (includes reassignment, retirement, etc.), the convenience check custodian/cashier must surrender all checks and check account documentation to the AO/CO who will notify the issuing bank.

15. Transfer of Convenience Check Custodian/Cashier to Another AO/CO. The procedures in Appendix C, paragraph 11, for the purchase cardholder also apply to the convenience check custodian and cashier.

16. Convenience Check Violations, Suspension, or Cancellation. Refer to Appendix C, paragraph 12b.

17. Notification and Appeal of Convenience Check Suspension, Cancellation, or Reimbursement. Notification and appeal procedures for the purchase card discussed in Appendix C, paragraph 13, also apply to convenience checks.

18. Account Reviews, Audits, and Suspected Abuse or Fraud of Convenience Checks. The procedures discussed in Appendix C, paragraph 14, also pertain to convenience checks.

19. Training for Convenience Checks. Training discussed in Appendix C, paragraph 15, also pertains to convenience checks.

APPENDIX E

CHECKLIST FOR PURCHASE CARDHOLDERS

Purchase cardholders are required to become thoroughly familiar with their responsibilities and duties in accordance with this Instruction and all references made herein. *Section F and Appendices A and C of this Instruction provide additional guidance for purchase cardholders.*

1. How to Use the Purchase Card Log. The Purchase Card Log is used to ensure that funds are available before making a purchase. The funds available (beginning balance) are posted at the beginning of the month to the log. As approved purchases are made, the purchase amount is posted to the log and the remaining balance is brought forward. The ending balance is what remains at the end of the month after purchases are subtracted from the beginning balance. Credits and disputed charges are also posted to the purchase card log as indicated on the form.

2. How to Fill Out IG Form 34-3 (formerly IG Form 4100.33-3), “Governmentwide Commercial Purchase Card Request for Supplies and Services.” Instructions for completing IG Form 34-3 are detailed on the back of the form and in paragraph 7 of Appendix C to this Instruction.

3. Information To Be Included in the Monthly Reconciliation Provided to the AO/CO

- a. Reconciled, date stamped (within 5 days of receipt) monthly statement.
- b. Purchase card log.
- c. Original purchase card receipts in the order they appear on the bill.
- d. Dispute forms.
- e. Credit information.

4. Followup on Disputed Charges and Credits

- a. Anticipated credits and disputed charges must be included on the purchase card log to keep track of charges as they are resolved.
- b. A copy of the Cardholder Statement of Questioned Items (CSQI) (Figure 5, page 39) is attached to the monthly statement when it is forwarded to the AO/CO.
- c. The AO/CO and the cardholder monitor the dispute process until the dispute is settled and credit is provided to the government when appropriate.
- d. See also paragraph 8 of Appendix C.

APPENDIX F

CHECKLIST FOR APPROVING OFFICIALS/CERTIFYING OFFICERS

The AO/COs are required to become thoroughly familiar with their responsibilities and duties in accordance with this Instruction and all references made herein. *Section F, Appendix A, and Appendix C of this Instruction provide additional guidance.*

1. The primary responsibilities and duties of the AO/CO are listed in Section F.13 of this Instruction.

2. Reconciliation Steps

a. The billing cycle for the OIG DoD ends on the fifth day of the month. The AO/CO can expect to receive a Billing Account Statement by the 10th of each month.

b. The DoD policy is that certification for a credit card Billing Account Statement will not be delayed because of a disputed discrepancy.

c. The AO/CO must sign the Billing Account Statement immediately upon receipt.

d. The original Billing Account Statement is forwarded to the Administrative Officer, INV, (Investigations Approving Official only) from the INV field and HQs components. They are consolidated and then sent to the Comptroller's Office.

e. A copy of the Billing Account Statement is retained for reconciliation with the purchase cardholder's statement and held in file.

f. It is mandatory that monthly statements for the purchase cardholder and the AO/CO be date stamped immediately upon receipt.

g. Within 5 days of receipt of the purchase cardholder's monthly statement from the US Bank, he or she reconciles the records, signs, and forwards them to the AO/CO along with all receipts and dispute forms.

h. The AO/CO matches all purchases on the purchase cardholder's statements with the billing statement and forwards the billing statement to the Comptroller, OIG DoD, within 3 days.

i. The AO/CO must retain a copy of the certified billing invoice for a period of 6 years and 3 months.

2. Disputed Items

a. The AO/CO monitors the dispute process to ensure disputes initiated by the purchase cardholder are settled timely and credit is provided to the government when appropriate.

b. A copy of the Cardholder Statement of Questioned Item (CSQI) is attached to the purchase cardholder's monthly statement when it is forwarded to the AO/CO for review (Figure 5, page 39).

c. The AO/CO reviews the reasons and circumstances for the dispute.

d. The AO/CO certifies the statement for payment in full. Payment will not be delayed or withheld for disputed items. Credits for the disputed items will be offset against future billings.

[illegible]

Figure 1. IG Form 34-1 (formerly IG Form 4100.33-1),
Governmentwide Commercial Purchase Card Log

MEMORANDUM FOR (*Individual's Name and Organizational Code*)

SUBJECT: Appointment as Approving Official/Certifying Officer

In accordance with IGDINST 4100.33, *Governmentwide Commercial Purchase Card Program*, you are hereby appointed as the OIG DoD Approving Official/Certifying Officer (AO/CO) responsible for certifying payment vouchers and documents for the following types of payments: Government purchase card contractor billing statements (invoices) and vouchers covering purchases and services obtained with the government purchase card or convenience checks. Your authorized monthly office purchase limit is (*Insert \$ amount*). This limit may not be exceeded.

The AO/COs have pecuniary liability for any illegal, improper, or incorrect payment processed by the Department as a result of any inaccurate or misleading certification. This means that you may have to repay the total amount of any payment that is found to be illegal, improper, or incorrect. You must become thoroughly familiar with your responsibilities and accountability. By your signature below, you acknowledge this appointment and affirm that you have read and understand your responsibilities as described in the following references.

Title 31, US Code, Sec 3325	http://www4.law.cornell.edu/uscode/31/3325/html
Title 31, US Code, Sec 3528	http://www4.law.cornell.edu/uscode/31/3528/html
DoD Directive 7000.15	http://web7.whs.osd.mil/pdf/d700015p.pdf
DoD FMR, Vol. 5, Ch 3	http://www.dtic.mil/comptroller/fmr/05/0533.pdf

In addition, if you are certifying documents other than travel vouchers paid through the Defense Travel System (DTS) or DTS-Limited, you must complete a DD Form 577, *Signature Card*. After completion of the acknowledgment below and the Signature Card, keep a copy and forward the originals to the Chief of Staff.

Jonilynn M. Polacheck
Director, Administration and
Logistics Services

ACKNOWLEDGMENT:

By signature hereon, I acknowledge my appointment as an Approving Official/Certifying Officer. I have read and understand my responsibilities and accountability. I understand my right to request relief of liability for any payment I certify that is determined to be illegal, improper, or incorrect. I further understand that this appointment will remain in effect until revoked in writing by the appointing official above or successor.

Approving Official/Certifying Officer's Typed Name, Signature, and Date

Figure 2. Sample Appointment Letter for Approving Officials/Certifying Officers

1. NAME <i>(Type or print)</i>	2. PAY GRADE	3. DATE
4. OFFICIAL ADDRESS		
5. SIGNATURE		
6. TYPE OF DOCUMENT OR PURPOSE FOR WHICH AUTHORIZED		
THE ABOVE IS THE SIGNATURE OF THE AUTHORIZED INDIVIDUAL		
7. NAME OF COMMANDING OFFICER <i>(Type or print)</i>		8. PAY GRADE
9. SIGNATURE OF COMMANDING OFFICER		

DD Form 577, MAY 88 (EG)

Previous edition may
be used until exhausted.

SIGNATURE CARD

Designed using Perform Pro, WHS/DIOR, Oct 97

Figure 3. DD Form 577, Signature Card

MEMORANDUM FOR *(Insert Individual's Name)*

SUBJECT: Appointment as Purchase Cardholder – Delegation of Authority

In accordance with IGDINST 4100.33, *Governmentwide Commercial Purchase Card Program*, you are hereby appointed as an OIG DoD Purchase Cardholder to make purchases of supplies and services related to the mission of the office you service. You are officially responsible for carrying out your duties in accordance with the Federal Acquisition Regulation, DoD policies and regulations, and IGDINST 4100.33.

It is mandatory that you become thoroughly familiar with your responsibilities and accountability. By your signature below, you acknowledge this appointment and affirm that you have received the required training and understand your responsibilities and accountability for the position you hold.

A copy of this appointment with your signed acknowledgement must be forwarded to the Agency Program Coordinator before a purchase card is issued to you.

Your authorized single purchase limit is \$2,500 and your authorized monthly purchase limit is *(Insert \$ amount)*. These limits may not be exceeded.

Jonilynn M. Polacheck
Director, Administration and
Logistics Services

cc:
Approving Official/Certifying Officer
OIG Component Head
Agency Program Coordinator

ACKNOWLEDGEMENT:

By my signature below, I acknowledge this appointment and affirm that I understand my responsibilities and accountability for this position. Further, I have received the required purchase card training (record attached).

Purchase Cardholder Typed Name, Signature, and Date

Figure 4. Sample Appointment Letter for Purchase Cardholder

CARDHOLDER STATEMENT OF QUESTIONED ITEM

Purchasing CPP

(Please print or type in black ink)

CARDHOLDER NAME (please print or type) _____ ACCOUNT NUMBER _____

CARDHOLDER SIGNATURE _____ DATE _____ (AREA CODE) TELEPHONE NUMBER _____

The transaction in question as shown on Statement of Account:

Transaction Date	Reference Number	Merchant	Amount	Statement Date

Please read carefully each of the following situations and check the one most appropriate to your particular dispute. If you have any questions, please contact us at 888-99-IMPAC (888-994-6722). We will be more than happy to advise you in this matter.

1. UNAUTHORIZED MAIL OR PHONE ORDER
☐ I have not authorized this charge to my account. I have not ordered merchandise by phone or mail, or received any goods or services.
2. DUPLICATE PROCESSING—THE DATE OF THE FIRST TRANSACTION WAS _____
☐ The transaction listed above represents a multiple billing to my account. I only authorized one charge from this merchant for this amount. My card was in my possession at all times.
3. MERCHANDISE OR SERVICE NOT RECEIVED IN THE AMOUNT OF \$ _____
☐ My account has been charged for the above transaction, but I have not received the merchandise or service. I have contacted the merchant but the matter was not resolved. (Please provide a separate statement detailing the merchant contract, and the expected date to receive the merchandise).
4. MERCHANDISE RETURNED IN THE AMOUNT OF \$ _____
☐ My account has been charged for the above listed transaction, but the merchandise has since been returned.
 Enclosed is a copy of my postal or UPS receipt.
5. CREDIT NOT RECEIVED
☐ I have received a credit voucher for the above listed charge, but it has not yet appeared on my account. A copy of the credit voucher is enclosed. (Please provide a copy of this voucher with this correspondence).
6. ALTERATION OF AMOUNT
☐ The amount of this charge has been altered since the time of purchase. Enclosed is a copy of my sales draft showing the amount for which I signed. The difference of amount is \$ _____.
7. INADEQUATE DESCRIPTION/UNRECOGNIZED CHARGE
☐ I do not recognize this charge. Please supply a copy of the sales draft for my review. I understand that when a valid copy is sent to me, a Statement of Questioned Item Form must be provided and will include the copy of the sales draft if a further dispute exists. If a copy of the sales draft cannot be obtained, a credit will appear in my account.
8. COPY REQUEST
☐ I recognize this charge, but need a copy of the sales draft for my records.
9. SERVICES NOT RECEIVED
☐ I have been billed for this transaction, however, the merchant was unable to provide the services.
☐ Paid for by another means. My card number was used to secure this purchase, however final payment was made by check, cash, another credit card, or purchase order. (Enclosed is my receipt, canceled check (front and back), copy of credit card statement, or applicable documentation demonstrating that payment was made by other means).
10. NOT AS DESCRIBED
☐ (Cardholder must specify what goods, services, or other things of value were received). The item(s) specified do not conform to what was agreed upon with the merchant. (The cardholder must have attempted to return the merchandise and state so in their complaint). _____
11. If none of the above reason apply-please describe the situation: _____

(Note: Provide a complete description of the problem, attempted resolution and outstanding issues. Use a separate sheet of paper, if necessary, and sign your description statement).

Send To:

I.M.P.A.C. Government Services, P.O. Box 6347, Fargo, ND 58125-6347
 Fax: 701-461-3466.

usbank.
 I.M.P.A.C.®
 Government Services

Form: CSQICPPUR
 (10/98)

Figure 5. Sample US Bank I.M.P.A.C. Government Services Form,
 Cardholder Statement of Questioned Item

GOVERNMENTWIDE COMMERCIAL PURCHASE CARD REQUEST FOR PURCHASE OF SUPPLIES AND SERVICES				1. CONTROL NUMBER:		2. DATE: 04/25/2003	
3. TO:		4. THRU:		5. FROM:			
PART I - LIST SUPPLIES/SERVICES BELOW (Continue on Plain Sheet if Necessary)							
6. FOR:		7. DELIVERY TO:			8. NO LATER THAN:		
9. Mfg Part or Stock Number	10. Description of Material or Services		11. Quantity	12. Unit of Issue	13. Estimated Unit Price	14. Estimated Total Cost	
					15. Total		
16. Suggested Sources (Include Phone Number, Address & POC):							
PART II - JUSTIFICATION, CERTIFICATION, AND PROPERTY RECEIPT							
17. Justification or Purpose:							
18. I CERTIFY THAT FUNDS ARE AVAILABLE: _____ (Card Holder)							
19. PROPERTY OR SERVICES RECEIVED BY: _____ Date: _____							
PART III - REQUESTER							
20. DATE:	21. Type Name, Title & Phone No. of Requester:				22. Signature		
23. DATE:	24. Supervisor or Approving Official:				25. Signature		
Part IV - SPECIAL AUTHORIZATIONS							
26. DATE:	27. ADP/Telecommunications Official (for related ADP purchases):				28. Signature		
29. DATE:	30. Accountable Equipment (IGDM 4140.1):				31. Signature		

IG FORM 34-3, APRIL 2003 (EG) (IGDINST 4100.33) Previous edition is usable

Figure 6.a. IG Form 34-3 (formerly IG Form 4100.33-3), Governmentwide Commercial Purchase Card Request for Purchase of Supplies and Services

**Instructions for the Governmentwide Commercial
Purchase Card Request for Purchase of Supplies
and Services
IG Form 34-3**

Control Number (block 1): An internal number assigned by the office purchasing the supplies or services.

Date (block 2): Current Date, will be electronically filled in.

To (block 3): Administration and Information Management/Administration Logistics Services Directorate (AIM/ALSD). If purchase is made by OA&IM, use ALSD address shown. If purchase is made by requesting office, use applicable address.

Thru (block 4): Use appropriate component approving officer.

From (block 5): Name of your office (example: OAIG-AUD).

For (block 6): Name of individual and office.

Deliver To (block 7): Address and room number where the supplies or services are to be delivered.

No Later Than (block 8): The date the supplies or services are needed.

Mfg Part or Stock Number (block 9): Part or stock number assigned to the item from catalog or vendor.

Description of Material or Services (block 10): Name of the item. Describe the characteristics of the supplies or service.

Quantity (block 11): Number of items required.

Unit of Issue (block 12): How the item is packaged (example: each; ea).

Estimated Unit Price (block 13): Cost per item.

Estimated Total Cost (block 14): The total cost for that line of supply item or service.

Total (block 15): Total dollar amount of the order.

Suggested Sources (block 16): Name of vendor, address, point of contact, and phone number.

IG FORM 34-3, (Instructions) APRIL 2003

Figure 6.b. IG Form 34-3 (formerly IG Form 4100.33-3, Governmentwide Commercial Purchase Card Request for Purchase of Supplies and Services

Justification or Purpose (block 17): The purpose for the supply or service.

Certify funds available (block 18): Cardholder signature.

Property or Services Received By (block 19): Signature and date of the person who receives the item or service.

The Requester (block 20-22): The current date, typed name, title, phone number and signature of the requester.

Supervisor or Approving Official (block 23-25): The current date, typed name and signature.

Special Authorization (block 26-28): For ADP or Telecom supplies or equipment, signature by the Dir, ISD or designee, must be obtained. For field offices, e-mail approval from an ISD official is acceptable.

* IG Form 35.2 (Formerly 4140.1-2) is required for all accountable items.

Special Authorizations (block 29-31): For accountable equipment (i.e. computers, scanners, telefax machines, etc.), signature by the ALSD/Logistics Services Div, must be obtained.

For Field Offices, e-mail approval by the ALSD/LSD official is acceptable.

* IG Form 35.2 (Formerly 4140.1-2) is required for all accountable items.

IG FORM 34-3, (Instructions (cont.)) APRIL 2003

Figure 6.c. IG Form 34-3 (formerly IG Form 4100.33-3, Governmentwide Commercial Purchase Card Request for Purchase of Supplies and Services

MEMORANDUM FOR *(Insert Individual's Name)*

SUBJECT: Appointment as *(Insert one of the following: Principal/Alternate Convenience Check Custodian or Convenience Check Cashier)* - Delegation of Authority

In accordance with IGDINST 4100.33, *Governmentwide Commercial Purchase Card Program*, you are hereby appointed as the OIG DoD *(Insert one of the following: Principal/Alternate Convenience Check Custodian or Convenience Check Cashier)* in the *(Insert applicable component)*. You are officially responsible for carrying out your duties in accordance with public laws, governmentwide and DoD policies and regulations, and IGDINST 4100.33.

It is mandatory that you become thoroughly familiar with your responsibilities and accountability. By your signature below, you acknowledge this appointment and affirm that you have received the required training and understand your responsibilities and accountability for the position you hold.

A copy of this appointment with your signed acknowledgement must be forwarded to the Agency Program Coordinator before you commence your designated duties.

Jonilynn M. Polacheck
Director, Administration and
Logistics Services

cc:
Approving Official/Certifying Officer
OIG Component Head
Agency Program Coordinator

ACKNOWLEDGEMENT:

By my signature below, I acknowledge this appointment and affirm that I understand my responsibilities and accountability for this position. Further, I have received the required purchase card training (record attached).

*Principal/Alternate Convenience Check Custodian or Convenience Check Cashier's
Typed Name, Signature, and Date*

Figure 7. Sample Appointment Letter for
Principal/Alternate Convenience Check Custodian or Convenience Check Cashier

**GOVERNMENTWIDE COMMERCIAL PURCHASE CARD
CERTIFICATE OF DESTRUCTION**

This is to certify that Governmentwide Commercial Purchase Card Number _____, assigned to cardholder _____, has been destroyed (cut into 4 pieces).

Approving Official's Signature: _____

(Type/Print Name)

(Office)

(Address)

Witness Signature: _____

(Type/Print Name)

IG FORM 34-2 March 2003 (IGDINST 4100.33)

Figure 8. IG Form 34-2 (formerly IG Form 4100.33-2), Governmentwide Commercial Purchase Card Certificate of Destruction